

February 13, 2007

CONFIDENTIAL

Mr. John Bungitak
General Manager
National Environmental Protection Authority

Dear Mr. Bungitak:

In planning our audit of the financial statements of the National Environmental Protection Authority Fund (EPA) as of and for the year ended September 30, 2005, on which we have issued our report dated February 13, 2007, we developed the following recommendations concerning certain matters related to EPA's internal control. Our principal recommendations are summarized below:

Expenditures

One journal entry (GJ05-57) was recorded as an other expense totaling \$225.12 that relates to payment of 2004 withholding taxes for the Biosafety Project. Additionally, a total of \$1,019.50 was recorded as expenditures of the prior year but supporting invoices were not available. We recommend that management ensure that expenditures are recorded in the correct accounting period and that invoices are maintained and filed.

Revenues

Of eight revenue items tested, invoice# 024-05 indicated that the billing related to services performed in August 2004. We recommend that management ensure that revenues are recorded in the period earned.

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We have also communicated certain matters noted during our audit of the financial statements of EPA for the year ended September 30, 2005, which we considered to be reportable conditions in our report dated February 13, 2007.

This report is intended solely for the information and use of the Board of Directors and management and is not intended to be and should not be used by anyone other than these specified parties.

We would like to thank the accounting staff and management for their assistance during the course of our engagement. Should you have any questions regarding the matters discussed herein, please contact our office at your convenience.

Very truly yours,

